




13 May 1966

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Airborne Instruments Laboratory - Approval of Purchasing System

Airborne Instruments Laboratory
Attn:  - Executive Vice-President
Deer Park, Long Island, New York

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Gentlemen:

As a result of a periodic review of your Purchasing System recently concluded by this office, you are advised that the original level of approval established at \$100,000 on fixed price orders with competition and \$50,000 on sole source procurements in letter of 15 July 1963, is amended to read \$50,000 on all Fixed-Price orders, with or without competition.

This amendment in the dollar value of Fixed-Price orders is dictated solely by an Air Force requirement to obtain a certain number of your orders in formal submissions to the Contracting Officer in order to constantly evaluate and test the adequacy of your purchasing system and the number of orders at the \$100,000 level did not meet the Air Force criteria. All other conditions of the original approval letter of 22 November 1960 and 15 July 1963 remain unchanged.

The Air Force Purchase Methods Analyst will perform continual surveillance of contractor's purchasing system by reviewing selected purchase orders and subcontracts to evaluate purchasing performance, and by making other inquiries to test the continuing validity of the system. It is particularly important, therefore, that you give continuing emphasis to competitive purchasing - to the maximum practicable extent, including adequate Cost/Price Analysis. This involves not only the question of whether enough sources are solicited, but also whether your subcontracting practices provide all the other elements of free and open competition.

Your procurement management and staff at Airborne are to be complimented on the continued improvement in purchasing they have achieved during the past year.

Please acknowledge receipt of this communication.

acknowledges 5/18/66

Very truly yours,



Contracting Officer

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copy to



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